

Message Text

CONFIDENTIAL

PAGE 01 STATE 103430
ORIGIN EA-06

INFO OCT-01 ISO-00 L-01 ONY-00 SSO-00 /008 R

DRAFTED BY EA/TIMBS:REFRITTS:LGR
APPROVED BY EA - ROBERT E. FRITTS
INR/REA - SBEDLINGTON
L/EA - SORLINS
DESIRED DISTRIBUTION
EA AND L ONLY

-----010961 220456Z /73

O 220409Z APR 78
FM SECSTATE WASHDC
TO AMEMBASSY JAKARTA IMMEDIATE

C O N F I D E N T I A L STATE 103430

LIMDIS

E.O. 11652: GDS

TAGS: EAID, PL-480, ID, AINF,

SUBJECT: ALLEGED ILLEGAL INVOLVEMENT IN PL-480 SALES

1. AS PART OF JULY 1976 AGRICULTURE/JUSTICE/HOUSE ETHICS
CTTEE INVESTIGATION WHICH LED TO RECENT INDICTMENT OF
FORMER CONG. OTTO PASSMAN, USDA INVESTIGATORS PREPARED A
REPORT BASED ON INTERVIEWS WITH FORMER CONG. PASSMAN.
RECENT INDICTMENT OF MR. PASSMAN HAS LED TO REQUESTS BY
CBS, NBC AND NEW YORK TIMES UNDER FREEDOM OF INFORMATION
ACT FOR THE INVESTIGATIVE REPORT FROM WHICH THE INDICTMENT
WAS DERIVED.

2. ONE SECTION OF REPORT REFERS TO MR. PASSMAN'S OWN
"INVESTIGATIVE REPORTS" TO ASCERTAIN THE NATIONALITIES
OF THE OWNERS OF SHIPPING AGENTS HANDLING PL-480 COMMODI-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 103430

TIES. A U.S. FIRM, AMERICAN TRADE SALES, MANAGER JOSEPH
HARARI, IS LISTED AS THE AGENT FOR PL-480 SHIPMENTS TO
CAMBODIA AND INDONESIA. FOLLOWING THE NAME OF MR. HARARI
IS "ADAM MALIK, INDONESIAN FOREIGN MINISTER (SILENT
PARTNER)".

3. IT IS AGAINST US LAW FOR PL-480 COMMISSIONS TO BE

PAID TO A SHIPPING COMPANY WITH DIRECT CONNECTIONS OR
ACTING AS AN AGENT OF A RECIPIENT GOVERNMENT. THERE IS

THUS AN APPARENT PRIME FACIE CASE AGAINST AMERICAN TRADE
SALES. HOWEVER, MR. PASSMAN HAS REPORTEDLY SO FAR REFUSED
TO RELEASE HIS "INVESTIGATIVE REPORTS" TO FEDERAL INVESTI-
GATORS. THUS, THE ALLEGATION REMAINS UNSUBSTANTIATED
HERESAY.

4. THE RELEASE DATE OF THE USDA DOCUMENT UNDER FOI
PROCEDURES IS MONDAY, APRIL 24. AFTER CONSULTING WITH
USDA ON RELEASE, DEPT HAS DECIDED TO DELETE THE REFERENCE
TO MALIK ON GROUNDS THAT IT IS AN UNSUBSTANTIATED ALLEGA-
TION AND THUS AN UNWARRANTED INVASION OF HIS PRIVACY
(5USC552(B)6 AND (B)7). HOWEVER, OTHER COPIES MAY BE
ACCESSIBLE TO THE MEDIA. IN THAT REGARD, WE NOTE THAT
AMERICAN TRADE SALES WAS CITED IN AN ARTICLE ON BULOG
CORRUPTION AND PL-480 CARRIED IN FEB 24 ISSUE OF FAR
EASTERN ECONOMIC REVIEW.

5. ADDITIONAL MATERIALS BEING POUCHED. CHRISTOPHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORRUPTION, SALES, COMMODITIES, PL 480, INVESTIGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 apr 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE103430
Document Source: CORE
Document Unique ID: 00
Drafter: REFRITTS:LGR
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780172-0186
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780427/aaaaawrz.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 690d54a9-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2878974
Secure: OPEN
Status: NATIVE
Subject: ALLEGED ILLEGAL INVOLVEMENT IN PL-480 SALES
TAGS: EAID, EAGR, AINF, ID
To: JAKARTA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/690d54a9-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014